

MONTH
APR.
1995

THE NILSON REPORT

ISSUE
594

FOR 25 YEARS, THE LEADING PUBLICATION COVERING CONSUMER PAYMENT SYSTEMS WORLDWIDE

GENERAL PURPOSE CARDS WORLDWIDE

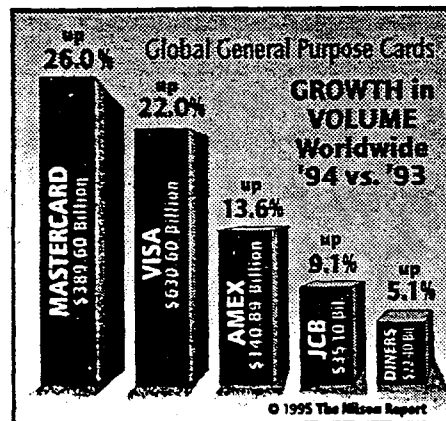
Gross volume for the five global credit and debit card brands honored by all types of merchants — Visa, MasterCard, American Express, JCB, ... (turn to page 4)

FUTURE OF GENERAL PURPOSE CARDS

Growth prospects for the five global card brands — Visa, MasterCard, American Express, Diners Club, and JCB — are stronger now than ... (turn to page 5)

ATMS SHIPMENTS WORLDWIDE — PART 2

Pages six and seven show 1994 shipments by function (ATM, cash dispenser), by type (lobby, thru-the-wall, off-premises, drive-up) and by region. (see pages 6 & 7)



IN THIS ISSUE:

General Purpose Cards Worldwide T,4,5
Future of General Purpose Cards T,5
ATM Shipments Worldwide — Part 2 T,6,7
Nynex/Chase Co-Brand T,9

Colorado Plasticard Sale T,4
Visa Interchange T,10
MCI Merchant Processing T,9,10
CFData Check Verification 4
On-Line Bank Cards 5

Amex Optima Tests 5
FOURTH 50 BANK CARDS. 8
Fast Facts & Job Mart. 2,3

NYNEX/CHASE CO-BRAND Chase Manhattan Bank has been marketing a co-branded Visa card with Nynex Mobile, the cellular phone division of Nynex, since last September. A second Nynex co-branded Visa card is being marketed to Nynex customers in New York State who have been prescreened for credit worthiness. Solicitations to ... (turn to page 9)

COLORADO PLASTICARD SALE The plastic card plant near Denver purchased from Colorado National Bank in 1982 by Fred B. Rothman & Co. will soon be sold by majority stockholder Paul Rothman to Plastic Graphics in Los Angeles for about \$7 million. Colorado Plasticard is certified by Visa and MasterCard. It ranked fifth in the nation ... (turn to page 4)

VISA INTERCHANGE The amount merchants pay to accept bank cards, which includes interchange fees, processing charges, acquirer profits, and association fees, has dropped about 60% in real terms over the last ten years. This is based on the average cost per transaction, adjusted for increases in the Consumer Price Index, and growth in the ... (turn to page 10)

MCI MERCHANT PROCESSING The nation's second largest telephone company, MCI, is the only telecommunications company in the U.S. providing authorization and electronic draft capture processing for the credit card industry — competing with First Data Corp., JCPenney, BuyPass, SPS, Visa, MasterCard, and Gensar (formerly TransNet). (turn to page 9)

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GENSAR TECHNOLOGIES INC. is the new name of third-party POS authorization and draft capture processor TransNet Inc. Parent company Transaction Processing Inc. will be known as Gensar Holdings Inc. Bipin Shah is CEO, (215) 947-5447, fax (215) 947-1025.

ELECTRONIC BENEFIT TRANSFERS totaled \$582 million in 1994 from an average of 273,000 households. Food Stamps totaled \$24.63 billion from 11.1 million households. Jeff Cohen is EBT Coordinator at the USDA's Food and Consumer Services, (703) 305-2517, fax (703) 305-2454.

COMMERCIAL BANK CARD products issued by U.S. members of Visa and MasterCard generated \$10.20 bil. in spending in 1994 (Visa \$6 bil., MasterCard \$4.2 bil.).

RETAIL CARD SECURITIES sold in the last two months included \$246 million from Neiman Marcus, \$350 million from Spiegel, and \$96 million from Younkers Dept. Stores.

AMERICAN EXPRESS CO. has approved a plan to repurchase up to 40 million common shares over the next two to three years. This is in addition to 20 million common shares previously announced.

CITIBANK preapproved no-annual-fee classic Visa application offers a 9.9% finance charge for 12 months — after that prime + 9.4%. Ronald Williamson is Pres., (605) 331-1396, fax (605) 330-6701.

PRIORITY PUBLICATIONS newsletters are used by credit card issuers to help activate accounts, increase usage, etc. Jim Larranaga is VP, (612) 920-9943, fax (612) 920-9952.

GULF OIL will use Wright Express to operate its private-label fleet card business. That card and Wright's "Universal Fleet" card will be accepted at 2,200 Gulf outlets. Mike Dubyak is SVP at Wright, (207) 761-7103, fax (207) 791-1650. Gary Kaneb is Pres. at Gulf, (617) 889-9000, fax (617) 884-0637.

UDATA's "Charge Off Loan Tracker II" software calculates accrued interest, tracks variable/fixed/nonaccrual loans, customizes notices and more. Tom Utley is Pres. at Udata, (419) 294-4141, fax (419) 294-0302.

FIRST BANK SYSTEM, largest issuer of Visa commercial cards, is marketing the "Corporate Relocation Card." Cards can be used for relocation expenses, mortgage closing costs, and other fees related to moving. Cards are deactivated after relocation is complete. Monthly statements are sent to the corporation. Jim Baumgartner is SVP at First Bank System, (612) 973-8765, fax (612) 973-8370.

SYNAPSYS subsidiary of CoreStates Financial Corp. is the first third-party processor to market a commercial card system that exceeds Visa certification standards for 1996. William Githens is CEO, (302) 571-6001, fax (302) 571-6028.

EQUIFAX "Bankcard Usage Predictor" account management and prescreening model ranks likelihood a customer will use a bank card or carry a balance. Alton Adams is VP, (404) 885-8191, fax (404) 885-8999.

TRANSMEDIA restaurant discount card can now be used to charge long-distance calls using a service of GE Capital. Cardholders pay 25¢ per minute. Steve Africk is VP at Transmedia, (305) 892-3340, fax (305) 892-3342. Govind Vanjani is Gen. Mgr. at GE Capital, (203) 961-5406, fax (203) 961-2088.

ONLINE CHECK SYSTEMS, unit of AudioCheck Corp., provides technology that lets merchants accept customer check payments by phone, fax, or modem. Aaron Mandel is Pres. at AudioCheck, (303) 759-5004, fax (303) 757-5269.

AMOCO OIL is discontinuing its discount for cash policy in favor of the same price for cash or credit card.

BANKAMERICARD Visa Business Card for the small business market offers lower finance charges to companies that have multiple business relationships with BofA. The card offers business checking overdraft protection. Annual fee without management reporting is \$25 which includes two year-end reports. Stephen Galasso is EVP at BofA, (602) 597-2196, fax (602) 597-3344.

JOB MART *Subscribers pay \$300 (nonsubscribers \$500) for Job Mart ads (per 100 words).*

A.M. MILLER & ASSOCIATES (Minneapolis, MN) seeks a **Marketing/Sales Executive** to sell and service major accounts. Must possess a track record that demonstrates the ability to develop new sales opportunities, and to manage and retain accounts. Excellent written and verbal communication skills are required along with analytical skills and an ability to interact with Fortune 500 clients. Excellent salary/commission package for qualified individual. Company benefits rank among industry leaders. Call Donna at (612) 461-3311 or fax your resume to (612) 461-3146. We will respond to all inquiries.

INSIGHT TECHNOLOGIES seeks an experienced **Product Manager** in our Product Management Group who can make an impact in the development and implementation of InSight's products and services to consumers. The successful candidate will be a dynamic, bright, enthusiastic self-starter who has a track record in developing and implementing successful marketing strategies, proven skills in creating sales/marketing materials, successful experience managing peers and subordinates on team projects, strong oral and written communication skills (including presentation skills), knowledge/experience in direct mail solicitations and database analysis. We are especially interested in professionals that have 3-5 years of card product management experience and strong strategic marketing skills. An MBA is a plus. We offer a comprehensive benefits package including relocation assistance and an excellent South Florida work environment. Must want to be part of a fast paced team. InSight Technologies is a fast growing marketing services company that offers products and services to consumers on behalf of InSight's clients which include financial institutions, retailers and other major corporations. InSight's products and services enhance the relationship between a company and its customers. Send resume and salary history to: InSight Technologies Corporation, 2424 North Federal Highway, Suite 205, Boca Raton, Florida 33431. Fax (407) 368-7674.

PHOTO: R. L. OK. COPY: R. L. OK. It will result in immediate cancellation of your subscription and could bring penalties of up to \$10,000.

NATIONAL DATA CORP.'s "Automated Debit Reconciliation" downloads debit files to a PC, retrieves merchant information and settlement data, provides daily summaries of network activity and merchant reports, and lists unrevolved activities and exception items. Kevin Shea is EVP, (404) 728-2290, fax (404) 728-3113.

HYPERCOM has signed ATS Telephone and Data Systems as a reseller of its entire product line. John Marshall is VP at Hypercom, (602) 866-5399, fax (602) 866-5380. Larry Boone is VP at ATS, (901) 797-2834, fax (901) 797-2829.

PNC BANK will buy 424 InterBold cash dispensers for installation at Wawa Food Markets. The contract is valued at more than \$7 million. Jim Walker is VP at PNC, (215) 585-5134, fax (215) 585-6895.

MASTERCARD's Problem Merchant Identification System identifies high-risk merchants. The 52,000 merchant on-line database will replace the Combined Terminated Merchant File collaboration with Visa. Joel Lisker is SVP at MasterCard, (212) 649-5188, fax (212) 649-4723.

CAPITAL ONE is testing preapproved secured card applications with credit limits equal to 2% times funds placed on deposit. Funds earn 5%. Annual fee is \$20. Finance charge is LIBOR + 13.9%, currently 19.8%. Nigel Morris is Pres., (804) 967-1025, fax (804) 967-1220.

PREPAID COMMUNICATIONS ASSOCIATION is a new industry group formed to educate companies and consumers about prepaid telephone cards. The organization projects prepaid calling cards will generate approximately \$1 billion in sales during 1995. Joseph Clark is Chairman, (212) 557-3240, fax (212) 557-3243.

SUPERIOR BANKCARD SERVICE, an independent sales organization, will market the POS-50 card terminal of U.S. Wireless Data. Tim Jochner is EVP at SBS, (818) 594-3700, fax (818) 594-3799. Alan Roberts is CEO at U.S. Wireless, (303) 440-5464, fax (303) 440-5640.

DELTA AIR LINES self-service ticket machines in Boston, Washington, and New York airports are AT&T model 5682 terminals that accept credit card payments and issue a boarding card in less than 30 seconds. The same terminals are used at Hyatt Regency hotels for automated check-in. Dave Hubbard is Dir. at AT&T, (513) 445-3284, fax (513) 445-5673.

COMERICA BANK no-annual-fee Visa Gold solicitations offer no interest payments until June 15 and 10% rebates on interest paid after that. Finance charges are LIBOR + 9.8%. P.K. Chatterjee is SVP at Comerica, (810) 370-6505, fax (810) 370-6907.

BANK OF TOKYO will sell American Express travelers cheques in U.S. dollar and Japanese yen denominations, replacing Visa brand cheques. Carl Lehmann is Pres. at mex Travelers Cheque Group, (801) 965-2222, fax (801) 965-5020.

BARCLAYS BANK cardholders can exchange "Profiles" points earned from card spending for up to \$2,400 cash back when they take out a mortgage. Chris Kent is Mgr., 44 (1604) 253-260, fax 44 (1604) 253-389.

SHANGHAI AIRLINES has launched a co-branded MasterCard with Industrial and Commercial Bank of China. Cardholders receive 3% discounts — gold cards offer 5% on ticket purchases. Finance charges range from 0.05% for 15 days overdue to 0.20% for 30 days overdue. Annual fee is \$7 for standard, \$14 for gold. Qiu Ren Er is Deputy Gen. Mgr. at ICBC, 86 (21) 323-4521, fax 86 (21) 323-4535.

BANCO DE LA NACION of Argentina has joined the Maestro debit program and will issue Maestro cards to all of its 650,000 current account customers. Fernanda Fabiani is Deputy Gen. Mgr. at Argencard, 54 (1) 345-2956, fax 54 (1) 334-8885.

VISA INTERNATIONAL has opened an office in Bangalore, India. Chandra Agnihotri is Country Mgr. at Visa, 91 (80) 559-6806, fax 91 (80) 559-6805.

MANAGEMENT CHANGES

George Farr has been appointed Vice Chairman and a member of the Office of the Chief Executive at American Express Co., (212) 640-2775, fax (212) 640-1273.

Linda Mock, formerly of Visa, has been appointed Executive VP at First Data Corp.'s Electronic Funds Services unit, (415) 233-6900, fax (415) 233-6903. **Joseph Tripodi** has been promoted to Senior VP and Head of Global Marketing Products and Services at MasterCard Int'l, (212) 649-5420, fax (212) 649-1304. **James Bailey**, formerly of American General Finance Inc., has been appointed Senior VP Bankcard Program Services at First Data Corp., (402) 222-7065, fax (402) 222-7334. **David Johns**, Senior VP at Mellon, has been appointed to head the bank's Network Services division, (412) 234-4505, fax (412) 236-2249. **Jeffrey Rich** has been appointed President of Affiliated Computer Services, (214) 841-6111, fax (214) 823-1155. **Judge Fowler** has been appointed President Professional Services at First Data Corp., heading systems and programming operations, (402) 222-8832, fax (402) 222-7334. **Martin Fielding** has been promoted to Managing Director at Card Protection Plan, 44 (171) 352-7755, fax 44 (171) 352-8776. **John McCabe** has been appointed President at Global Telecommunication Solutions, (212) 557-3240, fax (212) 557-3243. **Dan Bauer** has been appointed Executive VP at Bank Administration Institute, (312) 553-4600, fax (312) 683-2426. **Dave Lott** has joined Dove Associates, Inc. as Senior VP, (404) 353-5600, fax (404) 353-5639. **Stuart Reis** has left Western Union where he was VP/GM Development since 1989 and is looking for a senior level marketing/development role in financial services, (203) 328-2924, fax (203) 964-1595. **Michelle Heath** has been appointed Manager of Private-Label Credit Card Programs at NationsBank, (704) 386-7922, fax (704) 386-2471.

GENERAL PURPOSE CARDS WORLDWIDE

(from page 1) ... and Diners Club — totaled \$1,218.59 billion last year, up from \$1,015.48 billion in 1993 — a 21.4% increase after adjusting for currency fluctuations.

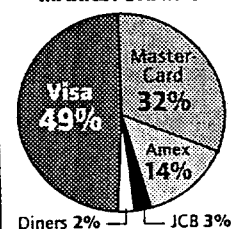
Volume for Visa and MasterCard bank cards accounted for 90% of the \$203.11 billion increase and rose 23.5% compared to 11.7% for the three travel and entertainment cards — American Express, JCB, and Diners Club.

PURCHASE VOLUME. Bank cards continued to dominate spending on global brand cards at merchants worldwide. MasterCard and Visa together increased their market share over travel and entertainment cards from 79.5% to 80.6%. Growth in terms of market share percentage points was led by MasterCard, up 0.73, and Visa, up 0.42. T&E cards all lost market share — JCB was down 0.22, Diners Club was down 0.28, and American Express was down 0.65.

1994 Results

	CARDS (mil.)	Chg.	Outlets (mil.)
Visa	391.2	+17.3%	12.0
MasterCard	238.9	+14.2%	12.7
Amer. Express	36.3	+2.5%	3.9
JCB	29.8	+7.0%	3.6
Diners Club	6.8	+0.0%	2.8
TOTAL	703.3	+14.8%	12.7

PURCHASE VOLUME MARKET SHARES



In Billions Brand	TOTAL VOLUME			PURCHASE VOLUME*		
	1994	1993	Chg.	1994	1993	Chg.
Visa	\$630.60	\$519.43	+22.0%	\$479.15	\$402.62	+19.0%
MasterCard	\$389.60	\$318.50	+26.0%	\$307.00	\$254.20	+24.5%
Am. Express	\$140.89	\$124.06	+13.6%	\$139.19	\$123.36	+12.8%
JCB	\$35.10	\$32.18	+9.1%	\$27.20	\$24.84	+9.5%
Diners Club	\$22.40	\$21.32	+5.1%	\$22.40	\$21.32	+5.1%
TOTAL	\$1,218.59	\$1,015.48	+21.4%	\$974.94	\$826.34	+19.1%

Some change figures have been adjusted to account for currency fluctuations.

*Purchases of goods & services — excludes cash advances/withdrawals and balance transfers.

Colorado Plasticard (from page 1) ... last year in production of bank cards with 31.6 million. The company also manufactured 10.3 million other payment cards and 2.0 million nonpayment cards. George Heinrich (303/233-8660), who built the plant originally named Centennial Plastics and still owns 10%, now represents other card manufacturers. Robert Blum, a minority stockholder and CEO of Colorado Plasticard since it was formed, will continue to head the company in Littleton, Colorado, (303) 973-9311, fax (303) 973-8420.

PLASTIC GRAPHICS is not certified to make high-security bank cards but produced 100 million other payment and nonpayment cards last year. After the acquisition, combined production of all types of cards will be in the 150-million range. The Colorado plant will continue to operate as a high-security facility, while the California plant will produce only nonsecure cards. Antonio Accornero is President at Plastic Graphics, Inc. in Los Angeles, California, (213) 737-0397, fax (213) 737-7236. Prior issues: 591, 514, 505 □

CFDATA CHECK VERIFICATION

CFData Corp., which acquired the financial services division of Southland in December 1993, verified 13.1 million checks last year valued at \$200 million for 3,500 7-Eleven convenience stores. In addition to the negative file of customers whose checks have bounced at Southland stores, CFData provides collection services for Southland as well as for JCPenney stores. CFData was the 16th largest U.S. check verification firm ranked by dollar volume and 10th largest ranked by check transactions. W. Harwood Runner is President at CFData Corp. in Dallas, Texas, (214) 437-9070, fax (214) 437-7600. Prior issue: 592 □

issuers except JCB, which went down from 22.8% to 15%, and Diners Club, which excludes cash from gross volume figures. Visa cash was 24.0%, up from 22.4% ... MasterCard was 21.2%, up from 20.3% ... and American Express was 1.2%, up from 0.6%.

CARDS. The number of cards in circulation grew by 90.7 million last year, with bank cards accounting for 96.4% of that increase. Bank cards' market share of the total was 89.6%, up from 88.6% in 1993. Visa was the only brand that improved its share, up from 54.5% to 55.6%. MasterCard's share declined slightly from 34.2% to 34.0% ... American Express declined from 5.8% to 5.2% ... and JCB went from 4.5% to 4.2%. Diners Club remained at 1.0%. Prior issues: 592, 570, 545 □

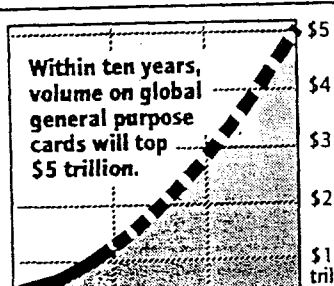
Future (from page 1) ... at any time since 1950 when Diners Club started giving consumers one card to pay for all types of purchases, beginning with restaurants in New York City. As a group, these five card brands are expected to show double-digit growth each year for at least the next ten years.

Thru Year 2005

By year 2000, volume is expected to be nearly \$3.0 trillion annually, of which \$2.3 trillion will be at merchants. The rest will be cash advances and withdrawals. By year 2005, volume is expected to exceed \$5.0 trillion annually.

BANK CARDS. For the first time, volume on Visa and MasterCard cards combined topped \$1.0 trillion in 1994 and accounted for 83.7% of general purpose card volume. Bank cards are expected to account for

85.6% of volume by year 2000 and 86.7% by 2005. Visa alone is expected to generate over \$1.0 trillion in volume in the year 1997, followed by MasterCard in 2000. Prior issues: 592, 570, 545 □



	1990	1995	2000	2005
TOTAL (bil.)	\$682.22	\$1,434.37	\$2,885.58	\$5,037.43
Visa	\$334.21	\$744.83	\$1,518.15	\$2,666.38
MasterCard	\$200.55	\$460.27	\$952.72	\$1,700.07
Amex	\$111.46	\$163.67	\$294.91	\$481.65
JCB	\$18.80	\$41.77	\$84.64	\$138.77
Diners Club	\$17.20	\$23.83	\$35.16	\$50.57

ON-LINE BANK CARDS

Application forms for the GM card, issued by Household Bank, and for card products from Chase Manhattan Bank are displayed on the Prodigy computer network, which serves 1.3 million subscribers. Prodigy is the first commercial on-line service to offer direct access to the Internet's World Wide Web. CompuServe, with 2.8 million subscribers, and America On-line, with 2.1 million, will soon provide similar access. American Express displays customer service information, travel assistance, and an application form on America Online. Barclays Bank in the U.K. and Capital One in the U.S. market their products via the World Wide Web. Peter Krasilovsky is Senior Analyst at Arlen Communications in Bethesda, Maryland, which tracks the progress of personal computer networks, (301) 656-7940, fax (301) 656-3204. Prior issues: 593, 589 □

AMERICAN EXPRESS OPTIMA TESTS

Optima was introduced by American Express in 1987 as a way of giving Green, Gold, and Platinum cardholders revolving credit. Cards currently have a \$15 annual fee and a 14.5% finance charge. True Grace Optima, introduced last fall, has a finance charge of 17.75% and a \$25 annual fee that is waived if the card is used three times a year. New versions are being mailed to test combinations of finance charges, annual fees, grace periods, enhancements, rewards, no grace period, and no annual fee (provided there are at least three transactions per year). Test packages that draw the best response will be marketed later this year. Phillip Riese is President Cardmember Financial Services Group at American Express in New York, (212) 640-4731, fax (212) 619-8571. Prior issues: Optima 577, 543, 542, 517, 512, 511, 509, 498, 490, 487, 478 True Grace 579 □

ATM SHIPMENTS BY TYPE

Of 107,437 units shipped worldwide

last year, 57.3% were lobby machines, 28.3% were thru-the-wall, 10.3% were off-premises, and 4.1% were drive-up.

Lobby shipments were up 26.2% and were most popular in Japan where they accounted for 96.1% (19,424) of all units shipped. Omron shipped 65.6% more lobby units than the prior year, moving ahead of AT&T which increased only 3.9%.

Thru-the-Wall shipments were up 10.4% and were most popular in Europe where they accounted for 59.9% of all units shipped.

By Manufacturer

LOBBY

Omron	10,273
AT&T	8,931
Fujitsu	7,261
InterBold	5,919
OKI	4,886
Toshiba	3,972
Hitachi	3,782
SID	3,527
Itaotec	3,076
Procomp	2,269
Siemens Nix	1,375
Digital	1,372
Bull	1,237
Olivetti	1,170
GoldStar	679
Dassault	492
Hyosung	459
NEC	327
Citicorp TTI	254
De La Rue	200
Papelaco	67
TOTAL	61,528

THRU-THE-WALL

AT&T	13,230
InterBold	6,674
Olivetti	3,353
Bull	1,720
Siemens Nix	1,689
Dassault	1,048
Fujitsu	1,041
Hyosung	854
Papelaco	442
Digital	137
Hitachi	112
Procomp	54
Omron	26
TOTAL	30,380

Includes vestibule

DRIVE-UP

InterBold	2,306
AT&T	1,678
GoldStar	252
Fujitsu	148
Citicorp TTI	24
TOTAL	4,408

OFF-PREMISES

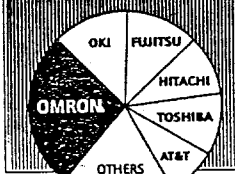
AT&T	4,937
InterBold	3,781
Fujitsu	1,309
Olivetti	523
Hyosung	329
Hitachi	121
Bull	108
NEC	13
TOTAL	11,121

AT&T
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where they account of all units shipped. this category and has increase.

Drive-Up shipments The United States r of all shipments of InterBold continued category and had a increase. □

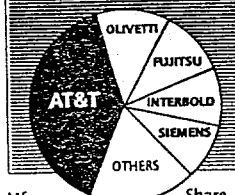
ASIA 35.7%



Omron	10,299	26.9%
OKI	4,886	12.8%
Fujitsu	4,608	12.0%
Hitachi	4,015	10.5%
Toshiba	3,972	10.4%
AT&T	3,271	8.5%
InterBold	1,751	4.6%
Hyosung	1,642	4.3%
Olivetti	935	2.4%
GoldStar	931	2.4%
Bull	745	1.9%
Digital Equip.	590	1.5%
NEC	340	0.9%
Siemens Nix	228	0.6%
Dassault	50	0.1%
Citicorp TTI	41	0.1%
TOTAL	38,304	

ATM SHIPMENTS BY WORLD REGION

EUROPE 25.4%



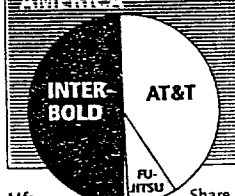
AT&T	10,664	39.0%
Olivetti	3,385	12.4%
Fujitsu	3,082	11.3%
InterBold	2,656	9.7%
Siemens Nix	2,561	9.4%
Bull	2,112	7.7%
Dassault	1,345	4.9%
Digital Equip.	668	2.4%
Papelaco	509	1.9%
De La Rue	200	0.7%
Itaotec	76	0.3%
Citicorp TTI	54	0.2%
TOTAL	27,312	

North America and South America had the biggest increases in units shipped during 1994 compared to 1993.

Asia continued to account for the greatest number of shipments, even though its market share declined from 37.0% to 35.7%. Omron, with shipments up

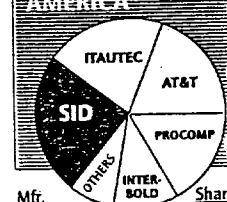
66%, i
percenta
Europe s
share of t
29.5% to
urers ma

NORTH AMERICA 21.9%



InterBold	11,667	49.7%
AT&T	9,620	41.0%
Fujitsu	1,969	8.4%
Citicorp TTI	136	0.6%
Digital Equip.	62	0.3%
Olivetti	28	0.1%
Dassault	7	<0.1%
SID	2	<0.1%
TOTAL	23,491	

SOUTH AMERICA 13.3%



SID	3,525	24.6%
Itaotec	3,000	20.9%
AT&T	2,746	19.2%
Procomp	2,323	16.2%
InterBold	1,636	11.4%
Olivetti	664	4.6%
Bull	200	1.4%
Siemens	198	1.4%
Citicorp TTI	41	0.3%
TOTAL	14,339	

AT&T, whose shipments increased 30.4% continued to dominate this category.

Off-Premises shipments were up 39.8% and were most popular in the United States, accounting for 33.5% of total shipments. AT&T led in off-premises with a 60.7% share.

Shipments were up 32.2% in the United States, while shipments received 87.8% of this type. AT&T continued to lead in this category with a 36.9% share.

ATM SHIPMENTS BY FUNCTION

There were 107,437 units shipped worldwide last year, and only 53.5% were full-service ATM machines. Cash dispenser shipments were up 45.7% from the prior year and accounted for 46.5% of total shipments, up from only 31.1% in 1990.

Full-Service ATMs let cardholders deposit cash or checks, withdraw cash, make balance inquiries, transfer funds between accounts, pay bills, update passbooks, and get printed statements. Shipments to Japan totaling 20,210 were 83.6% full-service ATMs ... U.S. shipments totaling 20,350 were 52.8% full-service ... Canada's 1,529 machines were 94.2% full-service ... Mexico's 1,612 ... (turn to page 9)

By Manufacturer

FULL-SERVICE ATMs	
AT&T	16,778
InterBold	10,362
Fujitsu	7,614
Omron	4,091
OKI	3,483
Toshiba	3,350
Hitachi	3,112
Siemens Nix	2,953
Olivetti	2,634
Dassault	1,048
Bull	567
Papelaco	509
NEC	327
Citicorp TFI	278
GoldStar	149
Digital	144
Procomp	54
Hyosung	53
TOTAL	57,506

CASH DISPENSERS

AT&T	11,998
InterBold	8,318
Omron	6,208
SID	3,527
Itautec	3,076
Bull	2,498
Olivetti	2,412
Procomp	2,269
Fujitsu	2,145
Hyosung	1,589
OKI	1,403
Digital	1,365
Hitachi	903
GoldStar	782
Toshiba	622
Dassault	492
De La Rue	200
Siemens Nix	111
NEC	113
TOTAL	49,931

AT&T improved its share almost eight percentage points, from 19.1% to 26.7%. Off-premise shipments increased 5.7% but its share of the world market declined from 5% to 4%. Its top five manufacturers maintained their ranking, but leader AT&T grew the most at 6.2%.

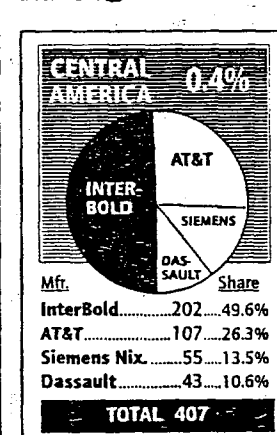
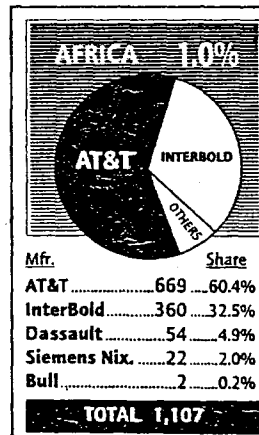
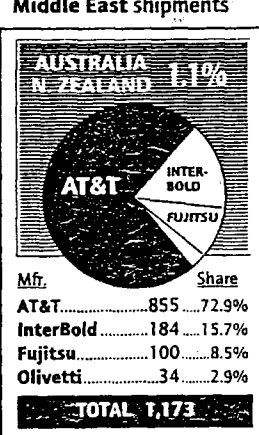
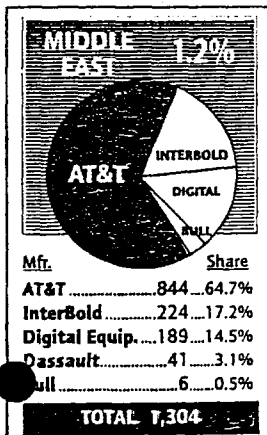
North America shipments were up 36.0% and the

region's share of the world market improved from 19.7% to 21.9%. The top three all grew more than 30% (Fujitsu 40.6%, AT&T 38.4%, InterBold 32.0%).

South America had the biggest increase in market share, from 9.6% to 13.3%, with an increase in shipments of 70.5%. The second largest manufacturer, Itautec, grew 103.9% and had its market share increase from 17.5% to 20.9%.

Middle East shipments

were up 4.7%, but the region's share of the world market declined from 1.4% to 1.2%. Australia/New Zealand shipments improved by 558 units and its market share improved slightly from 0.7% to 1.1%. AT&T's shipments were up 276.8%. Africa shipments were unchanged while its share of the world market declined. Central America shipments were down 237 units, and its share of the market also declined. □



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FOURTH 50 BANK CREDIT CARD ISSUERS IN THE U.S. — 1994

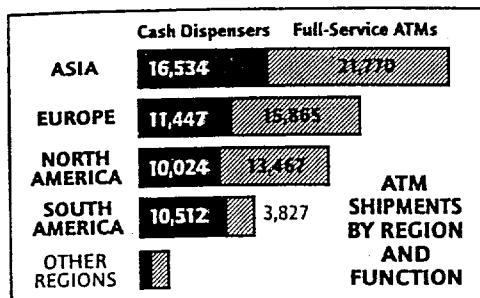
Issuer, State of Issuance	Type	'94 Rank	'93 Rank	Active Accounts	Total Accounts	Credit Cards	Visa Cards	MasterCard Cards	Charge Volume	Outstandings
Citizens Commercial Michigan	CB	151	154	33,940	63,000	75,700	57,700	18,000	\$89,630,000	\$34,625,000
Telephone Employees CU Calif.	CU	152	177	33,925	44,000	61,600	61,600	0	\$84,000,000	\$31,200,000
New Era Bank New Jersey	CB	153	142	33,858	35,284	40,353	31,132	9,221	\$21,424,917	\$19,402,120
Naval Air Federal CU Virginia	CU	154	169	33,336	42,713	53,353	24,029	29,324	\$56,927,529	\$37,171,547
Baxter Credit Union Illinois	CU	155	164	32,080	49,249	73,999	67,135	6,864	\$135,774,580	\$59,227,140
Centura Bank North Carolina	CB	156	167	32,001	49,062	62,186	17,578	44,608	\$86,312,830	\$38,996,034
First Premier South Dakota	CB	157	139	31,803	38,142	40,709	24,425	16,284	\$29,257,134	\$12,840,173
Eastern Financial FCU Florida	CU	158	168	31,513	53,354	47,739	17,039	30,700	\$56,919,684	\$50,974,950
America First Credit Union Utah	CU	159	166	31,377	52,508	78,149	78,149	0	\$87,906,405	\$49,835,047
Municipal Credit Union New York	CU	160	185	31,155	38,035	33,202	33,202	0	\$14,213,495	\$51,678,951
United Carolina Bank North Carolina	CB	161	172	31,000	42,000	58,000	23,500	34,500	\$48,000,000	\$24,000,000
Banco Popular New York	CB	162	145	30,994	42,699	43,552	30,934	12,618	\$39,557,457	\$45,700,891
American Pacific Bank Oregon	TH	163	165	30,387	37,681	37,681	37,681	0	\$51,902,035	\$19,564,645
Central Bank Missouri	CB	164	170	29,890	49,000	73,500	30,400	43,100	\$61,740,000	\$20,200,000
Texins Credit Union Texas	CU	165	162	29,375	38,193	38,193	14,097	24,096	\$82,968,764	\$37,796,524
First Nat'l of Marin California	CB	166	200	29,200	44,300	38,100	29,400	8,700	\$32,770,000	\$13,491,000
Alaska USA Fed. CU Alaska	CU	167	182	29,080	38,215	48,860	48,860	0	\$77,356,291	\$44,686,771
IBM Em./Owego Emp. FCU N.Y.	CU	168	178	28,871	34,214	46,812	41,190	5,622	\$88,024,040	\$37,181,305
TCF Bank Wisconsin Wisconsin	TH	169	253	28,696	37,489	47,845	28,412	19,433	\$51,591,697	\$34,856,616
Valley National New Jersey	CB	170	159	27,719	42,673	44,456	17,675	26,781	\$64,408,845	\$22,100,000
FirstBank Colorado	CB	171	173	27,496	43,112	53,031	24,531	28,500	\$88,646,000	\$23,075,000
Mission Federal Credit Union Calif.	CU	172	179	27,485	36,606	48,329	48,329	0	\$86,000,000	\$43,107,923
San Antonio Federal CU Texas	CU	173	186	27,147	33,245	45,610	45,610	0	\$67,138,665	\$43,299,312
Howard Bank Vermont	CB	174	163	27,065	33,100	46,300	45,000	1,300	\$68,905,319	\$26,426,428
Tower Federal CU Maryland	CU	175	183	27,000	33,000	45,150	0	45,150	\$46,000,000	\$35,883,386
Magna Bank Illinois	CB	176	187	26,600	41,000	71,750	28,750	43,000	\$58,600,000	\$22,000,000
Vermont National Vermont	CB	177	171	26,064	38,745	45,548	41,793	3,755	\$71,729,000	\$34,525,000
Travis Federal CU California	CU	178	160	25,832	31,671	56,352	11,123	45,229	\$78,971,725	\$53,929,419
Tinker Federal CU Oklahoma	CU	179	197	25,550	36,731	55,096	27,240	27,856	\$53,638,893	\$33,320,174
Charleston Navy FCU South Carolina	CU	180	212	25,096	32,175	36,800	12,512	24,288	\$40,400,000	\$26,000,000
Lockheed FCU California	CU	181	195	25,034	31,497	45,568	45,568	0	\$70,611,669	\$36,864,154
First Bank St. Louis Missouri	CB	182	189	25,000	38,000	57,000	20,000	37,000	\$43,000,000	\$22,000,000
NWA Federal CU Minnesota	CU	183	191	24,844	32,366	44,814	44,814	0	\$78,619,000	\$20,133,571
Bank of Miss. & Volant. Miss. TN	CB	184	192	24,761	32,200	47,319	10,470	36,849	\$52,449,107	\$25,450,620
Old National Bank Indiana	CB	185	180	24,687	39,571	46,992	22,394	24,598	\$76,700,396	\$25,912,408
Delta Employees CU Georgia	CU	186	199	24,223	26,700	40,050	40,050	0	\$67,357,000	\$28,260,000
Bank of California California	CB	187	190	24,053	34,141	39,005	5,656	33,349	\$122,501,305	\$31,838,572
First National in Brookings S. Dak.	CB	188	175	24,000	30,000	55,000	34,800	20,200	\$38,000,000	\$16,000,000
Chittenden Bank Vermont	CB	189	181	23,549	30,430	38,061	6,478	31,583	\$69,752,049	\$29,058,272
Sanwa Bank California	CB	190	174	23,220	33,609	37,464	16,025	21,439	\$86,549,429	\$36,693,490
Wash. State Employees CU Wash.	CU	191	211	22,535	27,382	33,677	33,677	0	\$38,333,000	\$38,800,000
State Savings Ohio	TH	192	196	22,508	34,305	44,553	44,553	0	\$67,987,871	\$21,297,076
Semitomo Bank California	CB	193	208	21,982	39,043	36,592	36,592	0	\$74,870,907	\$22,105,990
Union National Kansas	CB	194	132	21,948	34,016	42,504	19,375	23,129	\$73,253,408	\$23,720,883
Leader Federal Savings Tennessee	TH	195	188	21,677	28,580	33,081	19,210	13,871	\$41,653,116	\$28,843,269
Provident Central CU California	CU	196	198	20,980	36,672	41,921	41,921	0	\$69,432,362	\$23,666,240
Anheuser Busch CU Missouri	CU	197	205	20,546	27,426	38,207	21,364	16,843	\$54,979,967	\$23,466,175
The Mechanics Bank California	CB	198	207	19,872	31,487	38,035	2,452	35,583	\$53,819,020	\$11,446,174
Tropical Telco Federal CU Florida	CU	199	209	19,410	27,839	36,624	25,660	10,964	\$43,655,534	\$26,779,694
Bank of Louisiana Louisiana	CB	200	201	18,920	34,515	51,773	24,861	26,912	\$31,077,385	\$22,362,269

TOTALS FOURTH 50 1994:

1,339,284 1,880,975 2,396,195 1,514,946 881,249 \$3,175,317,830 \$1,541,794,213

Type — CB — commercial bank, TH — thrift, CU — credit union

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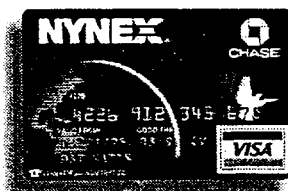


ATMs (from page 7) ... machines were 79.1% full-service. **Cash Dispensers** are limited-function machines that offer only cash withdrawals, transfers, inquiries, and statement printing. Of the 18,094 machines shipped to Asia (excluding Japan), 73.1% were cash dispensers. Among the top three manufacturers, 45.9% of all shipments were cash dispensers compared to 39.3% in 1993. □

Nynex/Chase (from page 1) ... prescreened customers in other northeastern states may follow later this year. Esti Halon is VP of Marketing at Chase Manhattan Bank in New York, New York, (212) 552-7668, fax (212) 552-6387. Prior issue: 581

NYNEX is the nation's fourth largest regional telephone company ranked by revenues (after GTE, Bell South, and Bell Atlantic) with \$13.4 billion in 1994. It serves 6.7 million households in New York State and 4.2 million more in Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, and Maine. As a joint marketer of bank cards, Nynex joins six other regional phone companies — Southern New England Telephone, GTE, US West, Pacific Bell, Ameritech, and SBC

Communications. Bell Atlantic is expected to issue a co-branded bank card with First Omni later this year. Long-distance carriers AT&T and Sprint market bank cards that offer discounts on phone calls. MCI and Citibank discontinued their co-brand a year ago. Anupa Mueller is Managing Director Consumer Markets at Nynex Corp. in New York, New York, (212) 395-6852, fax (212) 221-3847. Prior issues: 592, 591 □



NYNEX/CHASE VISA CO-BRAND

FINANCE CHARGES — prime + 0.9% for the first year ... after that, prime + 8.4% (gold) or prime + 9.4% (standard). **ANNUAL FEE** — None.

REBATES — Cardholders earn 500 points for signing up plus one point for every dollar charged or transferred to the card. Rebates on

balance transfers are capped at 10,000 per year. There is no cap on rebates earned from new spending. Cardholders receive a 25% bonus on points they earn in any month they use a Nynex calling card twice. Rebates must be redeemed in 2,000-point increments that can be converted to: (1) a \$20 rebate on their monthly phone bill or (2) a \$25 rebate on additional Nynex services such as call forwarding or repeat dialing.



For merchants that currently submit paper drafts into the settlement system, MCI has acquired exclusive rights to SimpleTran, a magnetic stripe card reader that connects with MCI's interactive voice response unit to prompt clerks through the electronic transaction draft capture process. Drafts are actually captured at MCI's host computer.

MCI (from page 1) MCI entered the third-party processing business last year by purchasing BT North America from British Telecom of Great Britain, which owns 20% of MCI. BT had been in the processing business since 1989 when it acquired Tymnet, a public data packet switch network, from McDonnell Douglas for \$355 million. That acquisition included the Payment Systems Company unit of MD, which owned authorization and processing contracts with bank card acquirers. MCI knew Tymnet's outdated dial-up technology couldn't compete with state-of-the-art network services, but it wanted the acquirer contracts, personnel, and expertise.

MCI TRANSACTION is the new name of MCI's processing service that connects 45,000 POS terminals and generated 215 million transactions last year for clients including Michigan National, Firststar, Barnett, and six others among the top 60 acquirers listed in issue 593. MCI is migrating these former Tymnet customers to a Unix-based on-line ... (turn to page 10)

MCI (from page 9) ... network that connects merchant terminals via 800 and 950 services, X.25, leased lines, frame relays, and local calls. TransAction is a U.S. program at this time but could become international through Concert, a joint-venture company of MCI and BT. Concert would allow both companies to provide global network services. MCI has marketing rights for Concert in North, Central, and South America. BT covers all other regions. Jim MacDonald is VP of Transaction Services at MCI's Integrated Client Services Division in McLean, Virginia, (703) 506-6106, fax (703) 506-6661. Prior issues: 562 MCI 593, 585, 581, 571, 547, 537, 457 □

Visa (from page 1) ... average amount of a bank card ticket. Over the last five years, the interchange fee component of the merchant discount has remained relatively unchanged for those merchants who qualify for the lowest rates by using electronic draft capture terminals, transmitting all data on the magnetic stripe, and meeting other criteria that give Visa and

MasterCard members better control of credit management, fraud, and operating costs. Visa's new interchange pricing schedule for the U.S. region, shown here, will not become effective until April 1996 and will cause an interchange increase for only about 16% of transactions. Increases will be seen by those merchants who submit data electronically but don't meet all "Custom Payment Service" requirements because they don't transmit the entire unaltered contents of the magnetic stripe. Also affected will be Visa debit (Check Card) transactions at all merchants except supermarkets.

The supermarket rates

will be discussed during the October 1995 U.S. Board of Directors meeting. Rates previously referred to as TIIF (Transition Incentive Interchange Fee) will be eliminated as of April 1996, made redundant by Custom Payment Service rates introduced last fall. Allen Weinberg is VP at Visa U.S.A. in Foster City, California, (415) 432-1179, fax (415) 432-1129. Prior issues: 550, 525 □

U.S. VISA INTERCHANGE BY TYPE OF MERCHANT

Interchange determines what fees are paid to card issuers by acquirers of credit and debit card transactions. Bold type indicates changes from current rates, and are effective April 1, 1996 through March 31, 1997.

Merchant Service Category	Standard (Paper-Based)	Electronic (EIRF)	CPS/Retail Key-Entered	CPS/Retail Credit	CPS/Retail Debit	Other CPS (a)
Passenger Transport	2.00% + 11¢	1.75% + 9¢	1.40% + 9¢	1.25%	1.09% + 6¢	1.60% + 5¢
Hotel & Car Rental	2.00% + 11¢	1.75% + 9¢	1.40% + 9¢	1.25%	1.04% + 6¢	1.35% + 5¢
Supermarket	2.00% + 11¢	1.75% + 9¢	1.40% + 9¢	1.10% (b)	36¢ (b)	—
Direct Marketing	2.00% + 11¢	1.75% + 9¢	—	—	—	1.55% + 5¢
All Other Merchants	2.00% + 11¢	1.75% + 9¢	1.40% + 9¢	1.25%	1.04% + 6¢	1.35% + 5¢
Commercial Cards (c)	2.17% + 12¢	1.93% + 6¢	1.55% + 5¢	—	—	—
Express Payment	2.00% + 11¢	2.00% + 2¢	—	—	—	—
Cash Disbursements (d)	0.18% + \$1.50	50¢	—	—	—	—

(a) Service Category Specific — Passenger Transport 1 is rate shown, Passenger Transport 2 rate = 1.35% + 5¢. Hotel and Car Rental 1 and 2 is rate shown. All Other Merchants rate pertains to automated fuel dispensers and is only valid for merchant category 5542 transactions. (b) Will be reviewed during the October 1995 U.S. Board of Directors meeting. (c) T&E merchants only — passenger transport, hotel, car rental, and restaurants. CPS/Retail Key-Entered rate at T&E merchants = 1.93% + 6¢. (d) Fees are paid to the acquirer by the issuer.

RATE STRUCTURES are: **Standard** — Paper transaction processing, authorization above floor limit, settlement within 30 days. **Electronic (EIRF)** — Enriched transaction data in authorization and settlement records, three-day clearing, zero floor limit. **Passenger Transport** transactions must include ticket number and itinerary data in the transaction message. **CPS (Custom Payment Service) Categories** — Zero floor limit authorization for each transaction, enriched information in the authorization and settlement messages, transmission of the entire, unaltered contents of the magnetic stripe if card present, use of Address Verification Service if card not present, and other special processing. **CPS/Retail Key-Entered** — Must meet all CPS/Retail requirements except for transmission of the entire, unaltered contents of the magnetic stripe. **CPS/Retail Debit (Check Card)** — Authorizations must be postable, and transactions must meet Reg. E requirements (merchant name and location).

April 30, 1995

THE NILSON REPORT
NUMBER 504 APRIL 1995

H. Spencer Nilson
- 10 - H. Spencer Nilson

MCJ4368225